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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]

May 8, 2026

Company name: DAIHATSU INFINEARTH MFG.CO.,LTD.
Stock exchange listing: Tokyo Stock Exchange
Code number: 6023
URL: https://www.d-infi.com
Representative: Yoshinobu Hotta, President
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Scheduled date of Annual General Meeting of Shareholders: June 26, 2026
Scheduled date of commencing dividend payments: June 29, 2026
Scheduled date of filing annual securities report: June 25, 2026
Availability of supplementary briefing material on annual financial results: Available
Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	88,066	(0.8)	7,621	(0.2)	7,959	4.7	5,920	3.6
March 31, 2025	88,781	8.6	7,634	47.0	7,603	37.1	5,717	11.0

(Note) Comprehensive income: Fiscal year ended March 31, 2026: 6,728 million yen [12.4%]
Fiscal year ended March 31, 2025: 5,986 million yen [0.8%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	232.90	-	12.7	7.7	8.7
March 31, 2025	180.92	-	12.0	7.7	8.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2026: - million yen
Fiscal year ended March 31, 2025: - million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	110,498	49,432	44.7	1,941.70
As of March 31, 2025	96,107	44,206	45.9	1,738.36

(Reference) Equity: As of March 31, 2026: 49,380 million yen
As of March 31, 2025: 44,153 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2026	9,113	(13,517)	3,523	20,996
March 31, 2025	9,354	(6,513)	(10,797)	21,015

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2025	-	0.00	-	62.00	62.00	1,574	27.5	3.3
March 31, 2026	-	0.00	-	69.00	69.00	1,754	29.6	3.8
Fiscal year ending March 31, 2027 (Forecast)	-	28.00	-	41.00	69.00		30.8	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	49,000	18.0	3,000	21.8	3,000	17.0	2,100	(0.5)	82.57
Full year	104,000	18.1	8,000	5.0	8,000	0.5	5,700	(3.7)	224.13

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2026: 31,850,000 shares
March 31, 2025: 31,850,000 shares

2) Total number of treasury shares at the end of the period:
March 31, 2026: 6,418,525 shares
March 31, 2025: 6,450,625 shares

3) Average number of shares during the period:
Fiscal Year ended March 31, 2026: 25,421,977 shares
Fiscal Year ended March 31, 2025: 31,602,348 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	77,027	(1.4)	4,260	1.4	6,552	17.7	5,640	19.4
March 31, 2025	78,137	8.2	4,201	71.0	5,565	22.0	4,725	10.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	221.87	-
March 31, 2025	149.53	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	94,559	37,735	39.9	1,483.82
As of March 31, 2025	82,785	33,613	40.6	1,323.40

(Reference) Equity: As of March 31, 2026: 37,735 million yen
As of March 31, 2025: 33,613 million yen

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	44,000	21.6	3,700	18.9	3,200	6.8	125.82
Full year	94,000	22.0	7,000	6.8	5,600	(0.7)	220.19

* These consolidated financial results are outside the scope of audit conducted by a certified public accountant or audit corporation.

* Explanation of the proper use of financial results forecast and other notes

(Note on forward-looking statements)

The financial results forecasts and other forward-looking statements herein are based on information and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to “1. Summary of Operating Results, etc. (4) Outlook for the Future” on page 4 of the attached material for the assumptions the financial results forecasts are based on, and notes on their use.

(How to obtain supplementary briefing material on annual financial results and information on the briefing session)

A briefing session for institutional investors and analysts is scheduled to be held on Tuesday, May 19, 2026. The briefing materials will be posted on the Company’s website after the session.

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1. Summary of Operating Results, etc.

(1) Summary of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the Japanese economy showed a movement to pick up in consumer spending due to the expansion of capital investment against a backdrop of improved corporate earnings and improvements in employment and income environments. Meanwhile, the outlook remains uncertain against a backdrop of fluctuations in resource prices and foreign exchange rates, in addition to developments in U.S. trade policy and rising geopolitical risks in the Middle East and other regions.

Looking at the world economy, a gradual recovery trend was seen overall, while the pace of recovery and economic trends varied across regions. In China, the momentum of economic recovery weakened amid the fading effects of policy measures and the prolonged stagnation in real estate investment, despite some signs of picking up, underpinned by the effects of the government fiscal and monetary policies. In the U.S., although consumer spending showed some signs of slowdown due to tariff increases under trade policies, corporate capital investment remained solid against a backdrop of wealth effects from a strong stock market and AI-related investment, and the economy overall maintained gradual growth. In Europe, while exports and the manufacturing sector showed signs of stagnation due to tariff policies and other factors, consumer spending remained solid against a backdrop of improving real wages and a favorable employment environment.

In the shipbuilding and maritime industry, the primary industry in which the Company makes its sales, demand for new vessels with superior fuel efficiency and environmental performance continued to remain solid, and orders received increased steadily. Following this, shipbuilding of environmentally friendly new vessels, including next-generation fuel vessels, progressed along with replacement demand for existing vessels, and shipyards in Japan and overseas have continued to ensure a high volume of work on hand.

Under such a corporate environment, the Group's sales for small-and medium-sized engines mainly for bulk carriers and tankers grew, and maintenance-related sales continued to remain solid. Meanwhile, sales decreased year on year, resulting from a decline in average selling price due to an increase in the sales composition ratios of small- and medium-sized engines.

Orders for engines have steadily captured demand for large-sized engines and dual fuel engines mainly for container vessels, and the order backlog remained at a level significantly above that of the previous fiscal year.

With a view to sustainable growth, the Group systematically implements capital investments for the development of engines that are compatible with next-generation fuels and the establishment of a production system, and works to strengthen its revenue base by improving production efficiency and enhancing cost competitiveness.

As a result, net sales for the fiscal year under review decreased by 0.8% year-on-year to 88,066 million yen, operating profit decreased by 0.2% year-on-year to 7,621 million yen, ordinary profit increased by 4.7% year-on-year to 7,959 million yen, and profit attributable to owners of parent increased by 3.6% year-on-year to 5,920 million yen.

Performance by business segment of the Company and the consolidated Group for the fiscal year under review are as follows.

<Internal combustion engines>

1. Marine-use

   Net sales decreased by 1.5% year-on-year to 71,829 million yen and segment income increased by 5.1% year-on-year to 9,690 million yen, due to an increase in maintenance-related sales, an effect of fluctuation of foreign exchange rates, and other factors despite a decrease in sales of engines.

2. Land-use

   Net sales increased by 0.0% year-on-year to 11,545 million yen and segment income increased by 3.2% year-on-year to 1,767 million yen, due to improved profitability in properties and other factors, despite sales for engines and maintenance-related sales remaining at the same level as the previous fiscal year.

Consequently, net sales for the segment decreased by 1.3% year-on-year to 83,375 million yen, and segment income increased by 4.8% year-on-year to 11,458 million yen.

<Other>

1. Industrial machinery-related

   In the aluminum wheel division, net sales increased due to changes in sales composition and a surge in raw material costs while segment income decreased.

2. Real estate leasing-related
In real estate leasing-related, net sales decreased slightly while segment income increased.

3. Electricity sales-related
In electricity sales-related, net sales increased while segment income decreased.

4. Precision parts-related
In precision parts-related, net sales increased while segment income decreased.

Consequently, net sales for the segment increased by 9.4% year-on-year to 4,691 million yen, and segment income decreased by 13.6% year-on-year to 412 million yen.

With "TECHNOLOGY FOR THE EARTH" stated as our purpose, the Group has formulated the mid- to long-term vision "POWER! FOR ALL beyond 2030" in November 2023 with the aim of becoming a company that seeks harmony with the global environment through technology and contributes to the realization of a sustainable society. Under this vision, the Group aims to establish a next-generation technology platform, while pursuing both a stabilizing energy supply and reduction of the environmental burden.

In order to realize the vision at an early stage, based on strengthening our business foundation, we promote flexible response to growth areas and improving profitability, and have been steadily executing growth investments. By strengthening our sustainable competitiveness, we also aim to establish a strong presence in the global market and enhance mid- to long-term corporate value.

In May 2026, the Group marks the 60th anniversary of its establishment and the first anniversary of its name change. For over 100 years since its founding, under its social mission of "Play a part in social infrastructure," the Group has been supporting the safety and security of people's lives from both sea and land, through supporting marine logistics with its marine-use engines and providing electric power and mechanical power for permanent and emergency use with its land-use engines.

Going forward, we will strive to steadily advance the deepening of our management framework and achieve both sustainable growth and our social mission through appropriately responding to environmental changes surrounding our business. By integrating the philosophies of "Infinity" and "Earth" embodied in our new company name, we will provide new value to the global environment through technology and fulfill our responsibilities as a sustainable company with global competitiveness.

(2) Summary of Financial Position for the Fiscal Year under Review

In assets as of the end of the fiscal year under review, cash and deposits increased by 1,808 million yen from the end of the previous fiscal year. Notes and accounts receivable - trade, and contract assets decreased by 1,591 million yen, while the turnover period of accounts receivable was 83.6 days (compared with 87.2 days at the end of the previous fiscal year). Meanwhile, inventories increased by 4,685 million yen while the turnover period was 79.8 days (compared with 71.0 days at the end of the previous fiscal year). Property, plant and equipment increased by 8,897 million yen from the end of the previous fiscal year, along with the construction of additional facilities at the Himeji Factory to manufacture engines that are compatible with next-generation fuels and other factors. As a result, total assets as of March 31, 2026 amounted to 110,498 million yen, an increase of 14,390 million yen compared with the end of the previous fiscal year.

In liabilities, notes and accounts payable - trade and electronically recorded obligations - operating in total decreased by 1,157 million yen from the end of the previous fiscal year while their turnover period was 48.8 days (compared with 59.4 days at the end of the previous fiscal year). Meanwhile, owing in part to the allocation to working capital, borrowings in total increased by 5,156 million yen. "Other" under current liabilities increased by 6,598 million yen mainly due to an increase in advances received. As a result, total liabilities increased by 9,164 million yen from the end of the previous fiscal year to 61,066 million yen.

In net assets, retained earnings increased by 4,346 million yen compared to the end of the previous fiscal year

to 53,644 million yen. As a result, total net assets increased by 5,226 million yen compared to the end of the previous fiscal year to 49,432 million yen. The equity ratio at the end of the fiscal year under review was 44.7% (compared with 45.9% at the end of the previous fiscal year).

(3) Summary of Cash Flows for the Fiscal Year under Review

Changes in cash and cash equivalents (hereinafter referred to as "capital") at the end of the fiscal year under review are as follows.

Cash flows from operating activities resulted in a cash inflow of 9,113 million yen, cash flows from investing activities resulted in a cash outflow of 13,517 million yen, and cash flows from financing activities resulted in a cash inflow of 3,523 million yen. As a result, capital decreased by 19 million yen (a decrease of 8,095 million yen as of the end of the previous fiscal year).

- Cash flows from operating activities

Cash flows from operating activities resulted in a cash inflow of 9,113 million yen (a cash inflow of 9,354 million yen as of the end of the previous fiscal year) due in part to securing profit before income taxes of 7,917 million yen by recording sales primarily of marine-use internal combustion engines, a decrease of 4,684 million yen due to an increase of inventory recording of depreciation of 3,080 million yen, and an increase in trade receivables of 1,746 million yen while recording a decrease of 4,684 million yen due to an increase of inventory, a decrease in income taxes paid of 2,151 million yen, and a decrease in trade payables of 1,499 million yen.

- Cash flows from investing activities

Cash flows from investing activities resulted in a cash outflow of 13,517 million yen (a cash outflow of 6,513 million yen as of the end of the previous fiscal year) due in part to purchase of property, plant and equipment of 11,372 million yen as a result of the expansion of the area at the Himeji Factory with the aim of strengthening production capacity for engines that are compatible with next-generation fuels, process improvements with the aim of meeting demand for engines and improving productivity at the Moriyama Factory, and investments for the relocation of the precision parts production base of its subsidiary.

- Cash flows from financing activities

Cash flows from financing activities resulted in a cash inflow of 3,523 million yen (a cash outflow of 10,797 million yen as of the end of the previous fiscal year) due in part to a net increase of 5,900 million yen in short-term borrowings despite dividends paid of 1,567 million yen and repayments of long-term borrowings of 743 million yen.

(4) Outlook for the Future

Concerning the outlook of the Group for the next fiscal year, a significant overall year-on-year increase is expected in net sales.

Regarding sales of marine-use engines, sales of commercial-use engines and sales of engines to the Ministry of Defense are expected to increase year on year.

In particular, we expect the number of units of commercial-use engines to increase significantly. Driven by increases in the number of units of large-sized engines and dual fuel engines, we expect sales composition to remain at the same level as that of small- and medium-sized engines. In addition, the average sales price per unit is expected to increase year on year, resulting in a significant increase in sales.

Regarding maintenance-related sales, although maintenance-related sales for ocean-going vessels have continued to grow for five consecutive fiscal years against a backdrop of the depreciation of the yen, sales for the next fiscal year are expected to fall short of that level, due to heightened uncertainty surrounding maritime trade market conditions and a trend in foreign exchange rates.

Regarding sales of land-use engines, we expect a year-on-year increase.

Regarding sales in the other segment, we expect a slight year-on-year decrease.

In terms of profit, operating profit is expected to increase slightly year on year, while gross profit is expected to remain sluggish due to intensifying competition in engine sales and an expected decline in maintenance-related sales, and fixed costs are expected to increase driven by increased personnel expenses and growth investment.

The Company will focus on investments in (1) logistics reform, (2) response to next-generation fuels, (3) technological development and productivity improvement, and (4) strengthening production infrastructure, as the growth investment under the mid- to long-term vision "POWER! FOR ALL beyond 2030" formulated in November 2023.

In capital investment, the expansion of production facilities for next-generation fuel at the Himeji Factory is underway, supported in part by subsidies. At the Moriyama Factory, productivity improvements through the renewal of production facilities are progressing, along with investments toward logistics reform. Regarding fuel injection systems, a Group company has begun construction of a new factory in Gunma Prefecture, with the aim of strengthening production infrastructure.

In terms of R&D, we will continue to focus on the development of engines that are compatible with next-generation fuels and launch them into the market.

In terms of DX-related investments, we will work on building a support system utilizing AI and IoT, and provide value to customers across the entire product lifecycle through the development of innovative solutions by leveraging digital technologies and the improvement of productivity. In the next fiscal year, we will make system investments focused mainly on engine condition monitoring.

Regarding human capital, in the fiscal year under review, we have revised our grading, performance evaluation, remuneration, and continued employment systems, and will promote the achievement of our mid- to long-term vision from the perspective of human resources by aligning corporate and organizational policies and targets with individual goals.

As described above, we will continue to make growth investments exceeding depreciation in the next fiscal year and work on initiatives to improve productivity.

For the six months ending September 30, 2026, the Group forecasts net sales of 49,000 million yen, operating profit of 3,000 million yen, ordinary profit of 3,000 million yen, and profit attributable to owners of parent of 2,100 million yen. For the fiscal year ending March 31, 2027, the Group forecasts net sales of 104,000 million yen, operating profit of 8,000 million yen, ordinary profit of 8,000 million yen, and profit attributable to owners of parent of 5,700 million yen.

2. Basic Stance Concerning Choice of Accounting Standards

Taking into consideration the comparability of consolidated financial statements among companies, the Group prepares its consolidated financial statements using Japanese GAAP.

With regard to International Financial Reporting Standards, the Group's policy is to respond appropriately based on consideration of the situation in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes
(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	21,521	23,330
Notes and accounts receivable - trade, and contract assets	20,976	19,385
Inventories	16,907	21,593
Other	4,177	3,629
Allowance for doubtful accounts	(10)	(13)
Total current assets	63,573	67,924
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,834	11,973
Machinery, equipment and vehicles, net	5,950	7,572
Land	5,960	6,497
Construction in progress	3,862	6,899
Other, net	1,281	1,844
Total property, plant and equipment	25,889	34,787
Intangible assets	535	564
Investments and other assets		
Investment securities	1,472	2,743
Deferred tax assets	4,077	3,888
Other	562	593
Allowance for doubtful accounts	(2)	(3)
Total investments and other assets	6,109	7,222
Total non-current assets	32,534	42,573
Total assets	96,107	110,498

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,656	6,745
Electronically recorded obligations - operating	6,707	4,460
Short-term borrowings	3,743	12,656
Lease liabilities	60	38
Income taxes payable	1,357	1,400
Provision for bonuses	1,286	1,419
Provision for bonuses for directors (and other officers)	156	143
Accrued expenses	6,291	5,714
Other	6,462	13,060
Total current liabilities	31,722	45,639
Non-current liabilities		
Long-term borrowings	10,485	6,729
Lease liabilities	60	55
Provision for retirement benefits for directors (and other officers)	58	54
Retirement benefit liability	6,930	5,926
Asset retirement obligations	269	293
Other	2,374	2,368
Total non-current liabilities	20,179	15,427
Total liabilities	51,901	61,066
Net assets		
Shareholders' equity		
Share capital	2,434	2,434
Capital surplus	2,236	2,253
Retained earnings	49,298	53,644
Treasury shares	(11,202)	(11,147)
Total shareholders' equity	42,766	47,185
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	676	1,018
Deferred gains or losses on hedges	61	(279)
Foreign currency translation adjustment	223	321
Remeasurements of defined benefit plans	426	1,135
Total accumulated other comprehensive income	1,386	2,195
Non-controlling interests	53	52
Total net assets	44,206	49,432
Total liabilities and net assets	96,107	110,498

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	88,781	88,066
Cost of sales	67,879	66,729
Gross profit	20,901	21,337
Selling, general and administrative expenses		
Selling expenses	9,487	9,466
General and administrative expenses	3,780	4,248
Total selling, general and administrative expenses	13,267	13,715
Operating profit	7,634	7,621
Non-operating income		
Interest income	36	40
Dividend income	54	43
Foreign exchange gains	-	203
Outsourcing service income	41	79
Reversal of allowance for doubtful accounts	0	2
Miscellaneous income	211	161
Total non-operating income	344	531
Non-operating expenses		
Interest expenses	133	150
Commission for purchase of treasury shares	60	-
Foreign exchange losses	43	-
Miscellaneous losses	136	44
Total non-operating expenses	374	194
Ordinary profit	7,603	7,959
Extraordinary income		
Gain on sale of non-current assets	0	12
National subsidies	23	400
Total extraordinary income	24	412
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on abandonment of non-current assets	39	53
Loss on tax purpose reduction entry of non-current assets	-	400
Total extraordinary losses	39	453
Profit before income taxes	7,588	7,917
Income taxes - current	1,965	2,137
Income taxes - deferred	(97)	(140)
Total income taxes	1,867	1,997
Profit	5,720	5,919
Profit (loss) attributable to non-controlling interests	3	(1)
Profit attributable to owners of parent	5,717	5,920

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	5,720	5,919
Other comprehensive income		
Valuation difference on available-for-sale securities	87	342
Deferred gains or losses on hedges	150	(340)
Foreign currency translation adjustment	3	98
Remeasurements of defined benefit plans, net of tax	25	708
Total other comprehensive income	265	808
Comprehensive income	5,986	6,728
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,983	6,729
Comprehensive income attributable to non-controlling interests	3	(1)

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2025

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,434	2,199	45,131	(93)	49,672
Changes during period					
Dividends of surplus			(1,550)		(1,550)
Profit attributable to owners of parent			5,717		5,717
Purchase of treasury shares				(11,124)	(11,124)
Disposal of treasury shares		36		14	51
Net changes in items other than shareholders' equity					
Total changes during period	-	36	4,166	(11,109)	(6,905)
Balance at end of period	2,434	2,236	49,298	(11,202)	42,766

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	588	(88)	220	401	1,121	49	50,843
Changes during period							
Dividends of surplus							(1,550)
Profit attributable to owners of parent							5,717
Purchase of treasury shares							(11,124)
Disposal of treasury shares							51
Net changes in items other than shareholders' equity	87	150	3	25	265	3	269
Total changes during period	87	150	3	25	265	3	(6,636)
Balance at end of period	676	61	223	426	1,386	53	44,206

For the fiscal year ended March 31, 2026

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,434	2,236	49,298	(11,202)	42,766
Changes during period					
Dividends of surplus			(1,574)		(1,574)
Profit attributable to owners of parent			5,920		5,920
Purchase of treasury shares					
Disposal of treasury shares		16		55	72
Net changes in items other than shareholders' equity					
Total changes during period	-	16	4,346	55	4,418
Balance at end of period	2,434	2,253	53,644	(11,147)	47,185

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	676	61	223	426	1,386	53	44,206
Changes during period							
Dividends of surplus							(1,574)
Profit attributable to owners of parent							5,920
Purchase of treasury shares							-
Disposal of treasury shares							72
Net changes in items other than shareholders' equity	342	(340)	98	708	808	(1)	807
Total changes during period	342	(340)	98	708	808	(1)	5,226
Balance at end of period	1,018	(279)	321	1,135	2,195	52	49,432

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	7,588	7,917
Depreciation	2,984	3,080
Increase (decrease) in allowance for doubtful accounts	1	3
Increase (decrease) in provision for bonuses	330	131
Increase (decrease) in provision for bonuses for directors (and other officers)	18	(13)
Increase (decrease) in retirement benefit liability	146	35
Increase (decrease) in provision for retirement benefits for directors (and other officers)	11	(3)
Interest and dividend income	(91)	(83)
Interest expenses	133	150
Loss (gain) on sale of property, plant and equipment	(0)	(11)
National subsidies	-	(400)
Loss on abandonment of non-current assets	39	53
Loss on tax purpose reduction entry of non-current assets	-	400
Decrease (increase) in trade receivables	456	1,746
Decrease (increase) in inventories	729	(4,684)
Increase (decrease) in trade payables	(4,134)	(1,499)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	416	1,112
Increase (decrease) in guarantee deposits received	1	(10)
Other, net	2,438	3,406
Subtotal	11,069	11,330
Interest and dividends received	91	83
Interest paid	(132)	(150)
Income taxes paid	(1,673)	(2,151)
Net cash provided by (used in) operating activities	9,354	9,113
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,326)	(11,372)
Proceeds from sale of property, plant and equipment	1	14
Purchase of intangible assets	(206)	(216)
Purchase of investment securities	-	(770)
Proceeds from withdrawal of time deposits	525	520
Payments into time deposits	(525)	(2,202)
Proceeds from state subsidy	-	517
Other, net	18	(8)
Net cash provided by (used in) investing activities	(6,513)	(13,517)

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Proceeds from long-term borrowings	5,300	-
Repayments of long-term borrowings	(2,972)	(743)
Purchase of treasury shares	(11,185)	-
Dividends paid	(1,549)	(1,567)
Net increase (decrease) in short-term borrowings	(300)	5,900
Repayments of finance lease liabilities	(90)	(65)
Net cash provided by (used in) financing activities	(10,797)	3,523
Effect of exchange rate change on cash and cash equivalents	(139)	862
Net increase (decrease) in cash and cash equivalents	(8,095)	(19)
Cash and cash equivalents at beginning of period	29,110	21,015
Cash and cash equivalents at end of period	21,015	20,996

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Segment information, etc.)

(Segment information)

1. Description of reportable segments

The reportable segments of the Company categorize the business composition of the Company with respect to financial information and are based on the financial reporting for performance evaluation with regard to annual business plan for each business at periodical meetings of the Board of Directors.

The Company's main business is the manufacture and sale of internal combustion engines; it also provides products that are not related to internal combustion engines to certain affiliates, and conducts business to utilize the real estate held by the Company.

The operative conditions of internal combustion engines, which comprise the majority of the Company's business, are significantly different between marine-use and land-use, and the Company conducts management and evaluation by categorizing production, sales, and after-sales service business activities for engines into marine-use and land-use.

As a result, the Company's reportable segments are Marine-use engines and Land-use engines.

2. Method for calculating net sales, profit (loss), assets, liabilities, and other by reportable segment

The accounting method used for reportable business segments is a method that is in compliance with the accounting principles and procedures adopted for the preparation of consolidated financial statements.

Reportable segment income figures are based on operating profit.

Assets and liabilities are not stated because they are not subject to review by the Board of Directors to determine the allocation of management resources and evaluate achievement.

3. Information on net sales, profit (loss), assets, liabilities, and other by reportable segment

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment			Other (Notes)*1	Total	Adjustment (Notes)*2	Amount recorded in Consolidated Financial Statements (Notes)*3
	Marine-use engines	Land-use engines	Total				
Net sales							
(1) Net sales to outside customers	72,950	11,543	84,493	4,287	88,781	-	88,781
(2) Inter-segment net sales or transfers	-	-	-	-	-	-	-
Total	72,950	11,543	84,493	4,287	88,781	-	88,781
Segment income	9,223	1,712	10,936	477	11,414	(3,780)	7,634
Other							
Depreciation	2,169	322	2,491	371	2,863	120	2,984

(Notes) *1 The "Other" category is a business segment that is not included in reportable segments, and includes the industrial machinery-related business, the real estate leasing-related business, the electricity sales-related business and the precision parts-related business.

*2 The adjustment for segment income represents corporate expenses, largely consisting of selling, general and administrative expenses not attributable to the reportable segments.

*3 Segment income is adjusted with operating profit on the Consolidated Statements of Income.

*4 Assets are not allocated to the business segments.

For the fiscal year ended March 31, 2026

(Million yen)

	Reportable segment			Other (Notes)*1	Total	Adjustment (Notes) *2	Amount recorded in Consolidated Financial Statements (Notes)*3
	Marine-use engines	Land-use engines	Total				
Net sales							
(1) Net sales to outside customers	71,829	11,545	83,375	4,691	88,066	-	88,066
(2) Inter-segment net sales or transfers	-	-	-	-	-	-	-
Total	71,829	11,545	83,375	4,691	88,066	-	88,066
Segment income	9,690	1,767	11,458	412	11,870	(4,248)	7,621
Other							
Depreciation	2,222	356	2,578	404	2,983	97	3,080

(Notes) *1 The "Other" category is a business segment that is not included in reportable segments, and includes the industrial machinery-related business, the real estate leasing-related business, the electricity sales-related business and the precision parts-related business.

*2 The adjustment for segment income represents corporate expenses, largely consisting of selling, general and administrative expenses not attributable to the reportable segments.

*3 Segment income is adjusted with operating profit on the Consolidated Statements of Income.

*4 Assets are not allocated to the business segments.

(Related information)

For the fiscal year ended March 31, 2025

1. Information by product and service

This is omitted as similar information is disclosed in Segment information.

2. Information by geographical area

1) Net sales

(Million yen)

Japan	Asia	Latin America	Other	Total
40,986	34,662	2,442	10,688	88,781

(Note) Country and region categories are based on geographic proximity.

2) Property, plant and equipment

This is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of that stated in the consolidated balance sheet.

3. Information by major customer

This is omitted as there were no external customers whose net sales account for more than 10% of net sales in the consolidated statements of income.

For the fiscal year ended March 31, 2026

1. Information by product and service

This is omitted, as similar information is disclosed in Segment information.

2. Information by geographical area

1) Net sales

(Million yen)

Japan	Asia	Latin America	Other	Total
42,471	32,737	2,502	10,355	88,066

(Note) Country and region categories are based on geographic proximity.

2) Property, plant and equipment

This is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of that stated in the consolidated balance sheet.

3. Information by major customer

This is omitted as there were no external customers whose net sales account for more than 10% of net sales in the consolidated statements of income.

(Per share information)

Category	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	1,738.36 yen	1,941.70 yen
Basic earnings per share	180.92 yen	232.90 yen

(Note) The basis for the calculation of basic earnings per share is as follows.

Category	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	5,717	5,920
Amount not attributable to shareholders of common shares (Million yen)	-	-
Profit attributable to owners of parent relating to common shares (Million yen)	5,717	5,920
Average number of shares of common shares outstanding during each fiscal year	31,602,348 shares	25,421,977 shares

(Note) Diluted earnings per share are not presented as there is no share outstanding with dilutive effect.

(Significant subsequent events)

(Cancellation of treasury shares)

At the Board of Directors' meeting held on May 8, 2026, the Company resolved to cancel its treasury shares pursuant to Article 178 of the Companies Act.

1. Details of the Board of Directors' resolution regarding the cancellation of treasury shares

(1) Class of shares to be cancelled

Common shares of the Company

(2) Number of treasury shares to be cancelled

4,500,000 shares

(3) Scheduled date of the cancellation

May 29, 2026

(4) Total number of issued shares after the cancellation

27,350,000 shares

4. Other

(1) Status of Production, Orders Received, and Sales

For the fiscal year under review (from April 1, 2025 to March 31, 2026)

1) Production

Production by segment for the current fiscal year is as follows:

(Million yen)

Segment	Volume	Amount	
			Year-on-year change
	Horsepower		%
Internal combustion engines			
Marine-use engines	1,037,984	71,829	(1.5)
Land-use engines	55,989	11,545	0.0
Other	-	4,064	11.0
Total		87,439	(0.8)

(Notes)

*1 Amounts are based on sales prices.

*2 The figures above do not include consumption taxes.

2) Orders received

Orders by segment for the current fiscal year are as follows:

(Million yen)

Segment	Orders received			Order backlogs		
	Volume	Amount	Year-on-year change	Volume	Amount	Year-on-year change
	Horsepower		%	Horsepower		%
Internal combustion engine						
Marine-use engines	1,713,686	107,508 [72,998]	29.0	2,481,669	102,284 [64,932]	53.6
Land-use engines	86,308	13,905 [389]	19.7	97,743	9,518 [567]	33.0
Other	-	4,461 [-]	13.8	-	1,697 [-]	30.5
Total		125,875 [73,388]	27.3		113,500 [65,500]	51.2

(Notes)

*1 Amounts are based on sales prices.

*2 Figures in brackets [ ] indicate export orders received and the balance of export orders outstanding, and are included in totals.

*3 The figures above do not include consumption taxes.

3) Sales results

Sales by segment for the current fiscal year are as follows:

(Million yen)

Segment	Volume	Amount	Export ratio	Year-on-year change
	Horsepower		%	%
Internal combustion engine				
Marine-use engines	1,037,984	71,829 [45,404]	63.2	(1.5)
Land-use engines	55,989	11,545 [190]	1.7	0.0
Other	-	4,691 [-]	-	9.4
Total		88,066 [45,595]	51.8	(0.8)

(Notes)

*1 Figures in brackets [ ] indicate export volume, and are included in totals.

*2 Major export destinations and compositions are as follows:
Asia (71.9%), Europe (18.7%), Latin America (5.5%), North America (2.9%), Others (1.0%)

*3 The “Other” segment includes precision parts-related (2,828 million yen), industrial machinery-related (1,235 million yen) and real estate leasing-related (627 million yen).

*4 The figures above do not include consumption taxes.

(2) Changes in Directors and Corporate Auditors (Scheduled on June 26, 2026)

The Company is scheduled to transition to a company with an Audit and Supervisory Committee, subject to the approval of the necessary amendments to the Articles of Incorporation at the 66th Annual General Meeting of Shareholders to be held on June 26, 2026.

1. Candidates for Directors Who Are Audit and Supervisory Committee Members:
   Yoshihiro Matsubara (currently Statutory Auditor)
   Chiho Takeda (currently Director, Audit and Supervisory Board Member (outside), NICHIDAI CORPORATION;
   currently Director (outside), Keihanshin Building Co., Ltd.;
   currently Statutory Auditor (outside), Eidai Co., Ltd.)
   Koichi Kohori (currently Statutory Auditor;
   currently Representative, Koichi Kohori CPA Office)

2. Candidate for Substitute Director Who Is a Audit and Supervisory Committee Member:
   Naoki Otsuji (currently Managing Executive Officer, Deputy Manager, Management Strategy Department)

   (Note) To prepare for the event that the number of Directors who are Audit and Supervisory Committee Members falls below the number required by laws and regulations, the Company proposes the election of one (1) Director who is an Audit and Supervisory Committee Member in advance.

3. Retiring Statutory Auditors:
   Atsumi Masada (currently Statutory Auditor)
   Yoshihiro Matsubara (currently Statutory Auditor)
   (scheduled to be appointed as a Director of the Company)
   Koichi Kohori (currently Statutory Auditor;
   currently Representative, Koichi Kohori CPA Office)
   (scheduled to be appointed as a Director of the Company)

(Reference)

New Management Team (Scheduled on June 26, 2026)

(Directors)

President and Representative Director	Yoshinobu Hotta
Vice President and Representative Director	Kunihiro Morimoto
Director and Senior Managing Executive Officer	Toshiki Sanaga
Director and Senior Managing Executive Officer	Hideki Asada
Director and Managing Executive Officer	Takashi Mizushina
Director and Managing Executive Officer	Yoichi Hayata
Outside Director	Hiroaki Sato
Outside Director	Hiroyuki Sakaida (currently Vice President, Executive Officer, Strategy Advisors Co., Ltd.)
Outside Director	Hideo Kanno (currently Director, Audit & Supervisory Board Member (outside), Okumura Engineering Corp.)
Outside Director Who Is an Audit and Supervisory Committee Member	Yoshihiro Matsubara
Outside Director Who Is an Audit and Supervisory Committee Member	Chiho Takeda (currently Director, Audit and Supervisory Board Member (outside), NICHIDAI CORPORATION; currently Director (outside), Keihanshin Building Co., Ltd.; currently Statutory Auditor (outside), Eidai Co., Ltd.)
Outside Director Who Is an Audit and Supervisory Committee Member	Koichi Kohori (currently Representative, Koichi Kohori CPA Office)

(Executive Officers)

Senior Managing Executive Officer	Masaki Hama
Managing Executive Officer	Naoki Otsuji
Managing Executive Officer	Shuichi Shimomura
Managing Executive Officer	Keisuke Shimokawa
Executive Officer	Tomohiro Miyoshi
Executive Officer	Tetsuya Bando
Executive Officer	Shunji Minami
Executive Officer	Norihiko Kashimura
Executive Officer	Takashi Hanamure
Executive Officer	Tetsuji Yamada
Executive Officer	Shoichi Satake
Executive Officer	Miwa Nakao